
SUBSTITUTE HOUSE BILL 2683

State of Washington

60th Legislature

2008 Regular Session

By House Housing (originally sponsored by Representatives Miloscia and Chase)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to providing affordable housing for all; amending
2 RCW 43.185B.040, 36.22.178, and 43.185A.100; reenacting and amending
3 RCW 43.185.070; adding new sections to chapter 43.185C RCW; adding a
4 new chapter to Title 43 RCW; creating new sections; recodifying RCW
5 36.22.179, 36.22.1791, 43.20A.790, 36.22.178, 43.185A.100, 43.185B.020,
6 and 43.185B.040; making an appropriation; and providing an expiration
7 date.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** (1) The legislature finds that there is a
10 large, unmet need for affordable housing in the state of Washington.
11 The legislature declares that a decent, appropriate, and affordable
12 home in a healthy, safe environment for every household should be a
13 state goal. Furthermore, this goal includes increasing the percentage
14 of low-income households who are able to obtain and retain housing
15 without government subsidies or other public support.

16 (2) The legislature finds that there are many root causes of the
17 affordable housing shortage and declares that it is critical that such
18 causes be analyzed, effective solutions be developed, implemented,
19 monitored, and evaluated, and that these causal factors be eliminated.

1 The legislature also finds that there is a taxpayer and societal cost
2 associated with a lack of jobs that pay self-sufficiency standard wages
3 and a shortage of affordable housing, and that the state must identify
4 and quantify that cost.

5 (3) The legislature finds that the support and commitment of all
6 sectors of the statewide community is critical to accomplishing the
7 state's affordable housing for all goal. The legislature finds that
8 the provision of housing and housing-related services should be
9 administered at the local level. However, the state should play a
10 primary role in: Providing financial resources to achieve the goal at
11 all levels of government; researching, evaluating, benchmarking, and
12 implementing best practices; continually updating and evaluating
13 statewide housing data; developing a state plan that integrates the
14 strategies, goals, objectives, and performance measures of all other
15 state housing plans and programs; coordinating and supporting county
16 government plans and activities; and directing quality management
17 practices by monitoring both state and county government performance
18 towards achieving interim and ultimate goals.

19 (4) The legislature declares that the systematic and comprehensive
20 performance measurement and evaluation of progress toward interim goals
21 and the immediate state affordable housing goal of a decent,
22 appropriate, and affordable home in a healthy, safe environment for
23 every household in the state by 2020 is a necessary component of the
24 statewide effort to end the affordable housing crisis.

25 NEW SECTION. **Sec. 2.** This chapter may be known and cited as the
26 Washington affordable housing for all act.

27 NEW SECTION. **Sec. 3.** There is created within the department the
28 state affordable housing for all program. The goal of the program is
29 a decent, appropriate, and affordable home in a healthy, safe
30 environment for every very low-income household in the state by 2020.
31 A priority must be placed upon achieving this goal for extremely low-
32 income households. This goal includes increasing the percentage of
33 households who access housing that is affordable for their income or
34 wage level without government assistance by increasing the number of
35 previously very low-income households who achieve self-sufficiency and
36 economic independence. The goal also includes implementing strategies

1 to keep the rising cost of housing below the relative rise in wages.
2 The department shall develop and administer the affordable housing for
3 all program. Each county shall participate in the affordable housing
4 for all program except as provided in section 8 of this act; however,
5 in the development and implementation of the program scope and
6 requirements at the county level, the department shall consider: The
7 funding level to counties, number of county staff available to
8 implement the program, and competency of each county to meet the goals
9 of the program; and establish program guidelines, performance measures,
10 and reporting requirements appropriate to the existing capacity of the
11 participating counties.

12 NEW SECTION. **Sec. 4.** Unless the context clearly requires
13 otherwise, the definitions in this section apply throughout this
14 chapter.

15 (1) "Affordable housing" means housing that has a sales price or
16 rental amount that is within the means of a household that may occupy
17 low, very low, and extremely low-income housing. The department shall
18 adopt policies for residential rental and homeownership housing,
19 occupied by extremely low, very low, and low-income households, that
20 specify the percentage of household income that may be spent on monthly
21 housing costs, including utilities other than telephone, to qualify as
22 affordable housing.

23 (2) "Affordable housing for all program" means the program
24 authorized under this chapter, as administered by the department at the
25 state level and by each county at the local level.

26 (3) "Authority" or "housing authority" means any of the public
27 corporations created in RCW 35.82.030.

28 (4) "County" means a county government in the state of Washington
29 or, except under RCW 36.22.178 (as recodified by this act), a city
30 government or collaborative of city governments within that county if
31 (a) the county government declines to participate in the affordable
32 housing program and (b) as described under section 8 of this act, a
33 city or collaborative of city governments elects to participate in the
34 program.

35 (5) "County affordable housing for all plan" or "county plan" means
36 the plan developed by each county with the goal of ensuring that every

1 very low-income household in the county has a decent, appropriate, and
2 affordable home in a healthy, safe environment by 2020.

3 (6) "County affordable housing task force" means a county
4 committee, as described in section 6 of this act, created to prepare
5 and recommend to its county legislative authority a county affordable
6 housing for all plan, and also to recommend expenditures of the funds
7 from the affordable housing for all program surcharge in RCW 36.22.178
8 (as recodified by this act) and all other sources directed to the
9 county's affordable housing for all program.

10 (7) "Department" means the department of community, trade, and
11 economic development.

12 (8) "Director" means the director of the department of community,
13 trade, and economic development.

14 (9) "Extremely low-income household" means a single person, family,
15 or unrelated persons living together whose adjusted income is less than
16 thirty percent of the median family income, adjusted for household size
17 for the county where the project is located.

18 (10) "First-time home buyer" means an individual or his or her
19 spouse who have not owned a home during the three-year period prior to
20 purchase of a home.

21 (11) "Good family-wage job" means a job that pays at or above one
22 of the two self-sufficiency income standards established under section
23 13 of this act which for an individual means enough income to support
24 one adult individual, and for a family means enough income to support
25 two adult individuals, one preschool-aged child, and one school-aged
26 child.

27 (12) "Local government" means a county or city government in the
28 state of Washington or, except under RCW 36.22.178 (as recodified by
29 this act), a city government or collaborative of city governments
30 within that county if (a) the county government declines to participate
31 in the affordable housing program and (b) as described under section 8
32 of this act, a city or collaborative of city governments elects to
33 participate in the program.

34 (13) "Low-income household," for the purposes of the affordable
35 housing for all program, means a single person, family, or unrelated
36 persons living together whose adjusted income is less than eighty
37 percent of the median household income, adjusted for household size for
38 the county where the project is located.

1 (14) "Nonprofit organization" means any public or private nonprofit
2 organization that: (a) Is organized under federal, state, or local
3 laws; (b) has no part of its net earnings inuring to the benefit of any
4 member, founder, contributor, or individual; and (c) has among its
5 purposes, significant activities related to the provision of decent
6 housing that is affordable to extremely low-income, very low-income,
7 low-income, or moderate-income households and special needs
8 populations.

9 (15) "Performance evaluation" means the process of evaluating the
10 performance by established objective, measurable criteria according to
11 the achievement of outlined goals, measures, targets, standards, or
12 other outcomes using a ranked scorecard from highest to lowest
13 performance which employs a scale of one to one hundred, one hundred
14 being the optimal score.

15 (16) "Performance measurement" means the process of comparing
16 specific measures of success with ultimate and interim goals.

17 (17) "Quality management program" means a nationally recognized
18 program using criteria similar or equivalent to the Baldrige criteria.
19 Beginning in 2010, all cities, towns, and counties receiving over five
20 hundred thousand dollars a year during the previous calendar year from
21 (a) state housing-related funding sources, including the housing trust
22 fund, (b) the affordable housing for all program surcharge in RCW
23 36.22.178 (as recodified by this act), (c) the home security fund
24 surcharges in RCW 36.22.179 and 36.22.1791 (as recodified by this act),
25 and (d) any other surcharge charged under chapter 36.22 or 43.185C RCW
26 to fund homelessness or other housing programs shall apply to the full
27 examination Washington state quality award program once every three
28 years beginning by January 1, 2011.

29 (18) "Regulatory barriers to affordable housing" and "regulatory
30 barriers" mean any public policies, including those embodied in
31 statutes, ordinances, regulations, or administrative procedures or
32 processes, required to be identified by the state, cities, towns, or
33 counties in connection with strategies under section 105(b)(4) of the
34 Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701
35 et seq.).

36 (19) "State affordable housing for all plan" or "state plan" means
37 the plan developed by the department in collaboration with the

1 affordable housing advisory board with the goal of ensuring that every
2 very low-income household in Washington has a decent, appropriate, and
3 affordable home in a healthy, safe environment by 2020.

4 (20) "Very low-income household" means a single person, family, or
5 unrelated persons living together whose adjusted income is less than
6 fifty percent of the median family income, adjusted for household size
7 for the county where the project is located.

8 **Sec. 5.** RCW 43.185B.040 and 1993 c 478 s 12 are each amended to
9 read as follows:

10 (1) The department shall, in consultation with the affordable
11 housing advisory board created in RCW 43.185B.020 (as recodified by
12 this act), prepare and ~~((from time to time amend a five year))~~ annually
13 update a state affordable housing ((advisory)) for all plan. The state
14 plan must incorporate the strategies, objectives, goals, and
15 performance measures of all other housing-related state plans,
16 including the state homeless housing strategic plan required under RCW
17 43.185C.040 and all state housing programs. The state affordable
18 housing for all plan may be combined with the state homeless housing
19 strategic plan required under RCW 43.185C.040 or any other existing
20 state housing plan as long as the requirements of all of the plans to
21 be merged are met.

22 (2) The purpose of the state affordable housing for all plan is to:

23 (a) Document the need for affordable housing in the state and the
24 extent to which that need is being met through public and private
25 sector programs((, -to));

26 (b) Outline the development of sound strategies and programs to
27 promote affordable housing;

28 (c) Establish, evaluate, and report upon performance measures,
29 goals, and timelines that are determined by the department for the
30 affordable housing for all program as well as for all federal, state,
31 and local housing programs operated or coordinated by the department,
32 including federal block grant programs, the Washington housing trust
33 fund, and all local surcharge funds collected with the purpose of
34 addressing homelessness and affordable housing; and

35 (d) Facilitate state and county government planning to meet the
36 state affordable housing ((needs of the state, and to enable the

1 development of sound strategies and programs for affordable housing))
2 for all goal.

3 ((The information in the five year housing advisory plan must
4 include:

5 (a) ~~An assessment of the state's housing market trends;~~

6 (b) ~~An assessment of the housing needs for all economic segments of
7 the state and special needs populations;~~

8 (c) ~~An inventory of the supply and geographic distribution of
9 affordable housing units made available through public and private
10 sector programs;~~

11 (d) ~~A status report on the degree of progress made by the public
12 and private sector toward meeting the housing needs of the state;~~

13 (e) ~~An identification of state and local regulatory barriers to
14 affordable housing and proposed regulatory and administrative
15 techniques designed to remove barriers to the development and placement
16 of affordable housing; and~~

17 (f) ~~Specific recommendations, policies, or proposals for meeting
18 the affordable housing needs of the state.~~

19 (2)) (3)(a) The department, in consultation with the affordable
20 housing advisory board, shall develop recommendations for affordable
21 housing for all program performance measures, short-term and long-term
22 goals, and timelines, as well as information to be collected, analyzed,
23 and reported upon in the state and local affordable housing for all
24 plans. The department shall present its recommendations to the
25 appropriate committees of the legislature by December 31, 2008.

26 (b) Performance measures and other required plan components must be
27 reviewed annually by the department after soliciting feedback from the
28 affordable housing advisory board, appropriate committees of the
29 legislature, and all county affordable housing for all task forces.

30 (c) The department may determine a timeline to implement and
31 measure each performance measure for the state and county affordable
32 housing for all programs, except that the state and all counties
33 participating in the affordable housing for all program must implement
34 and respond to all performance measures by January 1, 2011, unless the
35 department determines that a performance measure is not applicable to
36 a specific county based on parameters and thresholds established by the
37 department.

1 (4) The ((five-year)) state affordable housing ((advisory)) for all
2 plan required under ((subsection (1) of)) this section must be
3 submitted to the appropriate committees of the legislature on or before
4 ((February 1, 1994)) December 31, 2009, and subsequent updated plans
5 must be submitted ((every five years)) by December 31st each year
6 thereafter.

7 ~~((b) Each February 1st, beginning February 1, 1995, the department~~
8 ~~shall submit an annual progress report, to the legislature, detailing~~
9 ~~the extent to which the state's affordable housing needs were met~~
10 ~~during the preceding year and recommendations for meeting those needs))~~

11 (5) To guide counties in preparation of county affordable housing
12 for all plans required under section 7 of this act, the department
13 shall issue, by December 31, 2009, guidelines for preparing county
14 plans consistent with this chapter. County plans must include, at a
15 minimum, the same information reporting and analysis on a local level
16 and the same performance measures as the state plan.

17 (6) Each year, beginning in 2010, the department shall:

18 (a) Summarize key information from county plans, including a
19 summary of local city and county housing program activities and a
20 summary of legislative recommendations;

21 (b) Conduct annual performance evaluations of county plans; and

22 (c) Conduct annual performance evaluations of all counties
23 according to their performance in achieving affordable housing goals
24 stated in their plans.

25 (7) The department shall include a summary of county affordable
26 housing for all plans and the results of performance evaluations in the
27 state affordable housing for all plan beginning in 2010.

28 (8) Based on changes to the general population and in the housing
29 market, the department may revise the performance measures and goals of
30 the state affordable housing for all plan and set goals for years
31 following December 31, 2020.

32 NEW SECTION. Sec. 6. Each county shall convene a county
33 affordable housing task force. The task force must be a committee,
34 made up of volunteers, created to prepare and recommend to the county
35 legislative authority a county affordable housing for all plan and also
36 to recommend appropriate expenditures of the affordable housing for all
37 program funds provided for in RCW 36.22.178 (as recodified by this act)

1 and any other sources directed to the county program. The county
2 affordable housing task force must include a representative of the
3 county, a representative from the city with the highest population in
4 the county, a representative from all other cities in the county with
5 a population greater than fifty thousand, a member representing
6 beneficiaries of affordable housing programs, other members as may be
7 required to maintain eligibility for federal funding related to housing
8 programs and services, and a representative from both a private
9 nonprofit organization and a private for-profit organization with
10 experience in very low-income housing. The task force may be the same
11 as the homeless housing task force created in RCW 43.185C.160 or the
12 same as another existing task force or other formal committee that
13 meets the requirements of this section.

14 NEW SECTION. **Sec. 7.** (1) Each county shall direct its affordable
15 housing task force to prepare and recommend to its county legislative
16 authority a county affordable housing for all plan for its
17 jurisdictional area. Each county shall adopt a county plan by June 30,
18 2010, and update the plan annually by June 30th thereafter. All plans
19 must be forwarded to the department by the date of adoption. County
20 affordable housing for all plans may be combined with the local
21 homeless housing plans required under RCW 43.185C.040, county
22 comprehensive plans required under RCW 36.70A.040, or any other
23 existing plan addressing housing within a county as long as the
24 requirements of all of the plans to be merged are met. For counties
25 required or choosing to plan under RCW 36.70A.040, county affordable
26 housing for all plans must be consistent with the housing elements of
27 comprehensive plans described in RCW 36.70A.070(2). County plans must
28 also be consistent with any existing local homeless housing plan
29 required in RCW 43.185C.050.

30 (2) County affordable housing for all plans must be primarily
31 focused on (a) ensuring that every very low-income household in the
32 county jurisdictional area has a decent, appropriate, and affordable
33 home in a healthy, safe environment by 2020 with a priority placed on
34 achieving this goal for extremely low-income households and (b)
35 increasing the percentage of very low-income households that access
36 affordable housing without government assistance. County affordable
37 housing for all plans must include:

1 (a) At a minimum, the same information, analysis, and performance
2 measures as the state affordable housing for all plan, including
3 information and performance measurement data, where available, on all
4 city and county housing programs, including local housing-related levy
5 initiatives, housing-related tax exemption programs, and federally
6 funded programs operated or coordinated by local governments;

7 (b) Information on the uses of the affordable housing for all
8 surcharge as required in RCW 36.22.178(4) (as recodified by this act);

9 (c) Timelines for the accomplishment of interim goals and targets,
10 and for the acquisition of projected financing that is appropriate for
11 outlined goals and targets;

12 (d) An identification of challenges to reaching the affordable
13 housing for all goal;

14 (e) A total estimated amount of funds needed to reach the local
15 affordable housing for all goal and an identification of potential
16 funding sources; and

17 (f) State legislative recommendations to enable the county to
18 achieve its affordable housing for all goals. Legislative
19 recommendations must be specific and, if necessary, include an
20 estimated amount of funding required and suggestions of an appropriate
21 funding source.

22 NEW SECTION. **Sec. 8.** (1) Any county may decline to participate in
23 the affordable housing for all program authorized in this chapter by
24 forwarding to the department a resolution adopted by the county
25 legislative authority stating the intention not to participate. A copy
26 of the resolution must also be transmitted to the county auditor and
27 treasurer. Counties that decline to participate shall not be required
28 to establish an affordable housing task force or to create a county
29 affordable housing for all plan. Counties declining to participate in
30 the affordable housing for all program shall continue to collect and
31 utilize the affordable housing for all surcharge for the purposes
32 described in RCW 36.22.178 (as recodified by this act); however, such
33 counties shall not be allocated any additional affordable housing for
34 all program funding. Counties may opt back into the affordable housing
35 for all program authorized by this chapter at a later date through a
36 process and timeline to be determined by the department.

1 (2) If a county declines to participate in the affordable housing
2 for all program authorized in this chapter, a city or formally
3 organized collaborative of cities within that county may forward a
4 resolution to the department stating its intention and willingness to
5 operate an affordable housing for all program within its jurisdictional
6 limits. The department must establish procedures to choose amongst
7 cities or collaboratives of cities in the event that more than one city
8 or collaborative of cities express an interest in participating in the
9 program. Participating cities or collaboratives of cities must fulfill
10 the same requirements as counties participating in the affordable
11 housing for all program.

12 NEW SECTION. **Sec. 9.** A county may subcontract with any other
13 county, city, town, housing authority, community action agency, or
14 other nonprofit organization for the execution of programs contributing
15 to the affordable housing for all goal. All subcontracts must be:
16 Consistent with the county affordable housing for all plan adopted by
17 the legislative authority of the county; time limited; and filed with
18 the department, and must have specific performance terms as specified
19 by the county. County governments must strongly encourage all
20 subcontractors under the affordable housing for all program to apply to
21 the full examination Washington state quality award program. This
22 authority to subcontract with other entities does not affect
23 participating counties' ultimate responsibility for meeting the
24 requirements of the affordable housing for all program.

25 **Sec. 10.** RCW 36.22.178 and 2007 c 427 s 1 are each amended to read
26 as follows:

27 The surcharge provided for in this section shall be named the
28 affordable housing for all surcharge.

29 (1) Except as provided in subsection (3) of this section, a
30 surcharge of ten dollars per instrument shall be charged by the county
31 auditor for each document recorded, which will be in addition to any
32 other charge authorized by law. The county may retain up to five
33 percent of these funds collected solely for the collection,
34 administration, and local distribution of these funds. Of the
35 remaining funds, forty percent of the revenue generated through this
36 surcharge will be transmitted monthly to the state treasurer who will

1 deposit the funds into the affordable housing for all account created
2 in RCW 43.185C.190. The department of community, trade, and economic
3 development must use these funds to provide housing and shelter for
4 extremely low-income households, including but not limited to grants
5 for building operation and maintenance costs of housing projects or
6 units within housing projects that are affordable to extremely low-
7 income households with incomes at or below thirty percent of the area
8 median income, and that require a supplement to rent income to cover
9 ongoing operating expenses.

10 (2) All of the remaining funds generated by this surcharge will be
11 retained by the county and be deposited into a fund that must be used
12 by the county and its cities and towns for eligible housing activities
13 as described in this subsection that serve very low-income households
14 with incomes at or below fifty percent of the area median income. The
15 portion of the surcharge retained by a county shall be allocated to
16 eligible housing activities that serve extremely low and very low-
17 income households in the county and the cities within a county
18 according to an interlocal agreement between the county and the cities
19 within the county consistent with countywide and local housing needs
20 and policies. A priority must be given to eligible housing activities
21 that serve extremely low-income households with incomes at or below
22 thirty percent of the area median income. Eligible housing activities
23 to be funded by these county funds are limited to:

24 (a) Acquisition, construction, or rehabilitation of housing
25 projects or units within housing projects that are affordable to very
26 low-income households with incomes at or below fifty percent of the
27 area median income, including units for homeownership, rental units,
28 seasonal and permanent farm worker housing units, and single room
29 occupancy units;

30 (b) Supporting building operation and maintenance costs of housing
31 projects or units within housing projects eligible to receive housing
32 trust funds, that are affordable to very low-income households with
33 incomes at or below fifty percent of the area median income, and that
34 require a supplement to rent income to cover ongoing operating
35 expenses;

36 (c) Rental assistance vouchers for housing units that are
37 affordable to very low-income households with incomes at or below fifty
38 percent of the area median income, to be administered by a local public

1 housing authority or other local organization that has an existing
2 rental assistance voucher program, consistent with or similar to the
3 United States department of housing and urban development's section 8
4 rental assistance voucher program standards; and

5 (d) Operating costs for emergency shelters and licensed overnight
6 youth shelters.

7 (3) The surcharge imposed in this section does not apply to
8 assignments or substitutions of previously recorded deeds of trust.

9 (4) All counties shall report at least annually upon receipts and
10 expenditures of the affordable housing for all surcharge funds created
11 in this section to the department. The department may require more
12 frequent reports. The report must include the amount of funding
13 generated by the surcharge, the total amount of funding distributed to
14 date, the amount of funding allocated to each eligible housing
15 activity, a description of each eligible housing activity funded,
16 including information on the income or wage level and numbers of
17 extremely low, very low, and low-income households the eligible housing
18 activity is intended to serve, and the outcome or anticipated outcome
19 of each eligible housing activity.

20 NEW SECTION. Sec. 11. This chapter does not require either the
21 department or any local government to expend any funds to accomplish
22 the goals of this chapter other than the revenues authorized in this
23 act and other revenue that may be appropriated by the legislature for
24 these purposes. However, neither the department nor any local
25 government may use any funds authorized in this act to supplant or
26 reduce any existing expenditures of public money to address the
27 affordable housing shortage.

28 **Sec. 12.** RCW 43.185A.100 and 2006 c 349 s 11 are each amended to
29 read as follows:

30 The department(~~(7)~~) shall collaborate with the housing finance
31 commission, the affordable housing advisory board, and all local
32 governments, housing authorities, and other nonprofits receiving state
33 housing funds, affordable housing for all funds, home security funds,
34 or financing through the housing finance commission (~~shall, by~~
35 ~~December 31, 2006, and annually thereafter, review current housing~~

1 ~~reporting requirements related to housing programs and services and~~
2 ~~give)) to include in the state affordable housing for all plan, by~~
3 ~~December 31, 2009, recommendations, where possible:~~

4 (1) To streamline and simplify all housing planning, application,
5 and reporting requirements ((to the department of community, trade, and
6 economic development, which will compile and present the
7 recommendations annually to the legislature. The entities listed in
8 this section shall also give recommendations for additional)); and

9 (2) For legislative actions that could promote the affordable
10 housing for all goal and the state goal to end homelessness.

11 NEW SECTION. Sec. 13. A new section is added to chapter 43.185C
12 RCW to read as follows:

13 The department shall contract with the employment security
14 department to annually establish two self-sufficiency income standards
15 based upon the cost of living, including housing costs, which include
16 mortgage or rent payments and utilities other than telephone, for each
17 county in the state. The self-sufficiency income standards must be
18 based upon the costs needed to support: (1) One adult individual; and
19 (2) two adult individuals and one preschool-aged child and one school-
20 aged child. These income standards will be translated into an
21 equivalent hourly wage rate assuming one full-year, full-time earner
22 for the self-sufficiency income standards for each county. The self-
23 sufficiency income standards must be presented to the legislature by
24 December 31, 2009. The employment security department must spend no
25 more than one hundred ten thousand dollars in creating the initial
26 self-sufficiency income standards and no more than fifty-five thousand
27 dollars annually to update the standards. The employment security
28 department shall deliver a report to the department and the appropriate
29 committees of the legislature that details the number and percentage of
30 individuals statewide and in each county who do not have a good family
31 wage job and, as a result, earn less than the self-sufficiency income
32 standards, as well as the number and percentage of individuals
33 statewide and in each county who have a good family wage job and, as a
34 result, earn an amount equivalent to or more than the self-sufficiency
35 income standards.

1 NEW SECTION. **Sec. 14.** The joint legislative audit and review
2 committee shall conduct a performance audit and evaluation of the
3 growth management act, chapter 36.70A RCW, by January 1, 2009. The
4 audit must include the following components:

5 (1) An evaluation of the effectiveness of growth management act
6 policies and requirements, including:

7 (a) An assessment to determine whether or not and to what degree
8 the growth management act has been successful in furthering the
9 planning goals as described in RCW 36.70A.020; and

10 (b) The identification of challenges and barriers limiting the
11 success of the growth management act in furthering and achieving the
12 goals of RCW 36.70A.020 as well as a recommendation of the best method
13 for the state and local jurisdictions to annually identify and address
14 challenges and barriers to achieving the goals.

15 (2) A determination of the full financial cost to local governments
16 for activities related to compliance with the growth management act
17 since its enactment and a recommendation of the most appropriate method
18 of fully funding future planning and accountability activities. Costs
19 to be included in the assessment of the total financial cost of the
20 growth management act must include, among others, costs associated with
21 planning, implementation, and litigation.

22 (3) A determination of the most effective and accurate method of
23 determining growth management population projections by the office of
24 financial management that will result in the identification of correct
25 yearly targets for housing for all economic segments within each local
26 jurisdiction.

27 (4) A determination of the most accurate method for local
28 jurisdictions to establish correct housing targets, including
29 recommended procedures to:

30 (a) Identify the existing backlog need for housing by wage and
31 income level;

32 (b) Ensure that there is adequate and appropriate available housing
33 given the number and wage levels of employment opportunities in order
34 to accomplish the goal of providing housing opportunities to all
35 individuals near their places of employment; and

36 (c) Ensure that available housing at a variety of monthly housing
37 price points matches available employment opportunities while

1 considering employment wages and total household income levels of
2 employees within the jurisdiction.

3 (5) An overall evaluation of the efficiency and effectiveness of
4 the growth management hearings boards established in RCW 36.70A.250,
5 including the petition and appeals processes.

6 (6) The determination of the best method to link wage or income
7 performance measures of individuals and households in all housing
8 economic segments to the key performance measures of other growth
9 management act goals in action plans for local legislative authorities.

10 (7) A determination of the most effective methods to track
11 performance measures on an annual basis and to hold local jurisdictions
12 accountable for meeting the performance measures.

13 **Sec. 15.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2
14 are each reenacted and amended to read as follows:

15 (1) During each calendar year in which funds from the housing trust
16 fund or other legislative appropriations are available for use by the
17 department for the housing assistance program, the department shall
18 announce to all known interested parties, and through major media
19 throughout the state, a grant and loan application period of at least
20 ninety days' duration. This announcement shall be made as often as the
21 director deems appropriate for proper utilization of resources. The
22 department shall then promptly grant as many applications as will
23 utilize available funds less appropriate administrative costs of the
24 department. Administrative costs paid out of the housing trust fund
25 may not exceed five percent of annual revenues available for
26 distribution to housing trust fund projects. In awarding funds under
27 this chapter, the department shall provide for a geographic
28 distribution on a statewide basis.

29 (2) The department shall give first priority to applications for
30 projects and activities which utilize existing privately owned housing
31 stock including privately owned housing stock purchased by nonprofit
32 public development authorities and public housing authorities as
33 created in chapter 35.82 RCW. As used in this subsection, privately
34 owned housing stock includes housing that is acquired by a federal
35 agency through a default on the mortgage by the private owner. Such
36 projects and activities shall be evaluated under subsection (3) of this
37 section. Second priority shall be given to activities and projects

1 which utilize existing publicly owned housing stock. All projects and
2 activities shall be evaluated by some or all of the criteria under
3 subsection (3) of this section, and similar projects and activities
4 shall be evaluated under the same criteria.

5 (3) The department shall give preference for applications based on
6 some or all of the criteria under this subsection, and similar projects
7 and activities shall be evaluated under the same criteria:

8 (a) The degree of leveraging of other funds that will occur;

9 (b) The degree of commitment from programs to provide necessary
10 habilitation and support services for projects focusing on special
11 needs populations;

12 (c) Recipient contributions to total project costs, including
13 allied contributions from other sources such as professional, craft and
14 trade services, and lender interest rate subsidies;

15 (d) Local government project contributions in the form of
16 infrastructure improvements, and others;

17 (e) Projects that encourage ownership, management, and other
18 project-related responsibility opportunities;

19 (f) Projects that demonstrate a strong probability of serving the
20 original target group or income level for a period of at least twenty-
21 five years;

22 (g) The applicant has the demonstrated ability, stability and
23 resources to implement the project;

24 (h) The applicant has committed to quality improvement and
25 submitted an application to the Washington state quality award program
26 within the previous three years;

27 (i) Projects which demonstrate serving the greatest need;

28 ~~((+i))~~ (j) Projects that provide housing for persons and families
29 with the lowest incomes;

30 ~~((+j))~~ (k) Projects serving special needs populations which are
31 under statutory mandate to develop community housing;

32 ~~((+k))~~ (l) Project location and access to employment centers in
33 the region or area;

34 ~~((+l))~~ (m) Projects that provide employment and training
35 opportunities for disadvantaged youth under a youthbuild or youthbuild-
36 type program as defined in RCW 50.72.020; and

37 ~~((+m))~~ (n) Project location and access to available public
38 transportation services.

1 (4) The department shall only approve applications for projects for
2 (~~mentally ill~~) persons with mental illness that are consistent with
3 a regional support network six-year capital and operating plan.

4 NEW SECTION. **Sec. 16.** The sum of twenty thousand dollars, or as
5 much thereof as may be necessary, is appropriated for the biennium
6 ending June 30, 2009, from the general fund to the affordable housing
7 for all account to be distributed by the department of community,
8 trade, and economic development to statewide organizations addressing
9 affordable housing issues, homeless issues, or both, using a selection
10 method and distribution formula to be determined by the department, to
11 be used for creating comprehensive statewide affordable housing for all
12 plans consistent with the goals and performance measures of the state
13 and local affordable housing for all plans as described in this act.
14 Recipient organizations must present their affordable housing for all
15 plans to the appropriate committees of the legislature one year
16 following the receipt of appropriation funds.

17 NEW SECTION. **Sec. 17.** RCW 36.22.179, 36.22.1791, and 43.20A.790
18 are each recodified as sections in chapter 43.185C RCW.

19 NEW SECTION. **Sec. 18.** RCW 36.22.178, 43.185A.100, 43.185B.020,
20 and 43.185B.040 are each recodified as sections in chapter 43.--- RCW
21 (created in section 19 of this act).

22 NEW SECTION. **Sec. 19.** Sections 1 through 4, 6 through 9, and 11
23 of this act constitute a new chapter in Title 43 RCW.

24 NEW SECTION. **Sec. 20.** If specific funding for the purposes of
25 sections 1 through 12 of this act, referencing this act by bill,
26 chapter, or section number, is not provided by June 30, 2008, in the
27 omnibus appropriations act, this act is null and void.

28 NEW SECTION. **Sec. 21.** Section 14 of this act expires March 1,
29 2009.

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